



PLANNING COMMISSION AGENDA REPORT

VI.1

MEETING DATE: JULY 9, 2007

ITEM NUMBER:

SUBJECT: ZONING CODE AMENDMENT CO-07-01: DEVELOPMENT STANDARDS AND REVIEW PROCEDURES FOR CONVERSIONS OF RESIDENTIAL AND NONRESIDENTIAL PROJECTS COMMON INTEREST DEVELOPMENTS

DATE: JUNE 28, 2007


**FOR FURTHER INFORMATION CONTACT: CLAIRE L. FLYNN, AICP, SENIOR PLANNER
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DESCRIPTION


This item was continued from the Planning Commission meeting of June 11, 2007. The proposed ordinance amends the City's Zoning Code with respect to residential and nonresidential common interest development conversion projects.

RECOMMENDATIONS

1. Receive additional public and Commissioner comments.
2. Continue to next Planning Commission meeting of July 23, 2007.



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BACKGROUND

On March 20, 2007, City Council adopted a 45-day urgency ordinance that established a moratorium on the conversion of industrial projects to condominiums. On May 1, 2007, Council extended the moratorium for an additional 6 months through **November 5, 2007**.

On April 3, 2007, City Council adopted a similar urgency ordinance for residential common interest conversion projects. On May 15, 2007, Council extended the urgency ordinance for six months through **November 18, 2007**.

On June 11, 2007, Planning Commission considered the draft ordinance. On June 26, 2007, Planning Commission held a study session to examine the proposed Zoning Code amendment. A joint Council/Commission study session is scheduled for July 10, 2007.

ANALYSIS

Textual changes to Draft Ordinance

At the June 11th study session, Planning Commission considered changes to the draft ordinance. A textual change is reflected in the draft ordinance:

- Add the following finding to Section 13-29(g)(10): "For a proposed common interest development conversion project that does not conform to the Zoning Code requirements, the project due to its proportions and scale, design elements, and relationship to the surrounding neighborhood, is of continued value to the community and it contributes to defining and improving the community as a whole. Deviations from Zoning Code requirements are acceptable because it would be impracticable or physically impossible without compromising the integrity of the overall project to implement features that could result in conformance with current code requirements."

Planning Commission also discussed the proposed prohibition on condominium conversions of buildings that are 40 years or older. Because this issue requires further deliberation by City Council/Planning Commission, textual changes to the draft ordinance have not yet been made.

A suggestion was made to eliminate this provision altogether and defer to the required inspection reports with regard to the integrity of mechanical, electrical, plumbing, and structural aspects of the project.

Another suggestion was made that a two-tiered approach be included, specifically more stringent conversion standards should be applied to buildings that are 40 years old or older. Possible standards could include:

- Provide structural, vertical, and horizontal engineering to current building code requirements.
- Retrofit all bedrooms' windows with current Building Code dimensions for emergency egress;
- Replace all electrical wiring and gas lines;
- Replace all onsite plumbing;
- Replace all interior walls and ceilings; and prior to installing new interior walls and ceilings, a Licensed Structural or Civil Engineer shall provide a report certifying that the buildings' wood frames have been inspected and any identified substandard members have been replaced; and
- Replace onsite utility infrastructure, such as sewer lines, water main, electrical and gas supply lines.
- Require asbestos report.

Survey of Other Cities' Regulations

Residential Conversions

Staff reviewed conversion standards of our surrounding cities, as well as two selected cities outside of Orange County. Table A contains a matrix comparing various standards for conversions. All of the cities require that current onsite parking requirement be met in conjunction with the conversion approval. However, 4 out of the 5 include a "parking waiver" procedure if the parking requirements are not met. In a similar manner, the draft ordinance allows deviation from code-required parking based on overriding considerations.

Table A – Survey of Other Cities

| RESIDENTIAL CONDOMINIUM CONVERSION STANDARDS COMPARISON | | | | | | | | |
|--|------------------|---|---|--|---|---|--|---|
| CITY | ORD. DATE | CRITICAL VACANCY RATE | PARKING COMPLIANCE W/ CURRENT CODE STANDARDS | DEVIATION FROM PARKING ALLOWED (W/O A VARIANCE) | ZONING COMPLIANCE WITH ALL CURRENT CODES | SPECIFIC COMPLIANCE REQUIREMENTS WITH IDENTIFIED BUILDING AND SAFETY CODES | MINIMUM NUMBER OF UNITS REQUIRED IN PROJECT | MAXIMUM AGE OF STRUCTURES ALLOWED TO CONVERT |
| HEWPORT BEACH | 2001 | Yes—5% or less | Yes | Yes | Yes | Yes | None—However if the vacancy rate is 5% or less, projects containing 15 or more units will be denied. | No |
| HUNTINGTON BEACH | 2004 | No | Yes | No | No—only parking and landscaping | Yes | No | No |
| LAGUNA BEACH | 1980 | No | Yes | Yes | No | Yes | No | No |
| BEVERLY HILLS | 2007 | No; However, there is a limit regarding the # of units that can be converted each year. | Yes | Yes | Yes | Yes—property must be brought in compliance with all current codes with the exception of "character contributing buildings". | No | No |
| SAN DIEGO | 2006 | No | Yes | Yes | No | Yes | No | No |

Nonresidential Conversions

Staff surveyed surrounding cities, as well as a selected city outside of Orange County, to determine whether any of the cities have a distinct discretionary review process for reviewing non-residential condominium conversions, which would be in addition to the subdivision map review process. This information is provided in Table B.

Of the responses that we have received to date, only the City of Livermore has a distinct zoning review process for non residential condominium conversion proposals. The other cities surveyed, only require the subdivision map application.

All non-residential subdivisions require a tentative parcel or tract map. After approval of the map there are no other restrictions or requirements, assuming the conversion does not require major construction. The ordinances governing non-residential condominium conversion in the surveyed cities' municipal codes are also similar.

Table B – Survey of Other Cities

| City | Response |
|-----------------|--|
| Livermore | <ul style="list-style-type: none">• They've had "quite a few" industrial conversions• There's a trend toward smaller industrial uses• No major requirements as compared to residential• The focus is access, parking, etc.• Fairly straightforward process |
| Mission Viejo | No response to date. |
| Santa Ana | No response to date. |
| Newport Beach | No response to date |
| Fountain Valley | No response to date |
| Fullerton | No response to date. |
| Anaheim | <ul style="list-style-type: none">• No special regulations; only a subdivision map approval• Simple process – application for a tentative parcel map• Very straightforward |
| Brea | <ul style="list-style-type: none">• No special regulations; only a subdivision map approval• Simple process – application for a tentative parcel map• Their experience was fairly positive |
| Orange | No response to date. |
| Lake Forest | <ul style="list-style-type: none">• No special regulations; only a subdivision map approval• Simple process – application for a tentative parcel map• Handled at the staff level unless there's new construction which requires a design review |

As shown in Table C, in the last 5 years, the City has approved 10 conversions of non-residential buildings to condominiums, 8 of which were industrial complexes. As you will note, the majority of the projects (6) were located in the Airport Industrial Park area; one project was located in the Westside.

Table C - Recently Approved Non-residential Condominium Conversions

| PROPERTY DESCRIPTION | SIZE | TYPE |
|--|---|--------------------------|
| 3191 RED HILL AV | 6 Parcels and 1 Common Lot | Industrial |
| 380 CLINTON ST | 3 units | Industrial |
| 3130 AIRWAY AV | 6 units | Multi-tenant, industrial |
| 2900 BRISTOL ST | 6 parcels | Commercial Office |
| 240 BRIGGS AV | 2 units | Industrial |
| 3191 RED HILL AV | 2 lots | Industrial |
| 3525 HYLAND AV | One 2-story bldg, no changes in use | Industrial |
| 3190 AIRPORT LOOP DR | 2 units | Industrial |
| 755 W 17TH ST – ALSO INCLUDES 765, 775, 785 W. 17TH ST., AND 1690 PLACENTIA AVE. | 5 bldgs, containing 51 units total | Multi-tenant, industrial |
| 1640 NEWPORT BL (under construction) | <ul style="list-style-type: none"> • 4-story, 76,200 sq. ft. • Office condos are proposed | Medical Office |

Council Approval of Recent Projects

In June, 2007, City Council overturned the Planning Commission's denial of two residential common-interest conversion applications. Council generally believed that substantial improvements/upgrades to the property would compensate for the lack of open space or code-compliant parking supply.

For informational purposes, the following items are included:

- City Council Meeting Minutes of 6/19/07 and 6/05/07 – These unofficial minutes summarize the discussion related to the recently-approved residential condominium conversion at 309 Monte Vista and 679 W. 18th Street, respectively.

Furthermore, a question was raised at the study session regarding common-interest development conversion applications in the Westside Urban Plan areas. While there is flexibility in the urban plan areas, projects must be not only be exemplary but also comply with the revitalization objectives and green building measures of the urban plan.

Table D summarizes the Westside Urban Plan projects submitted to date. These involve new development. None are common interest conversion projects.

Table D – Summary of Westside Urban Plan Projects

| Case Number | Address | Net Increase in Total number of Residential Units (including live/work units) |
|--|--|---|
| 1. UMP-06-01 | ~ 974 Meyer Place | 4 |
| 2. UMP-06-05 | ~ 716/1720 Whittier Avenue | 4 |
| 3. UMP-06-06 | 2013-2029 Anaheim Avenue | 10 |
| 4. UMP-06-08 | ~ 945 Placentia Avenue | 218 |
| 5. UMP-06-09 | 2033-2037 Anaheim Avenue | 1 |
| 6. UMP-06-11 | 616 Center Street and 613 Plumer Street | 4 |
| 7. UMP-06-12 | ~ 640 Monrovia Avenue | 156 |
| 8. UMP-07-01 | 2068-2070 Maple Avenue | 7 |
| 9. UMP-07-02 | 1695 Superior | 24 |
| TOTAL: | | 428 |
| The Westside Urban Plans anticipate approximately 3,069 residential units will be constructed in the three urban plan areas over the next 20 years. The 431 units proposed to date represents 14% of that total. | | |

ALTERNATIVES

Since a joint Commission/Council study session is scheduled for July 10, it would be prudent to refrain from taking action on the ordinance until this discussion has taken place.

Once Commission acts upon the ordinance, the alternatives will include:

1. Recommend to Council that first reading be given to the ordinance, with any modifications made by the Planning Commission.
2. Recommend to Council that the City's existing zoning provisions be retained.

ENVIRONMENTAL DETERMINATION

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and has been found to be exempt pursuant to Section 15061(b)(3) (general rule) of the CEQA Guidelines.

CONCLUSION

The draft ordinance would amend the City's review requirements and development standards for conversion requests for both residential and nonresidential projects. City Council adoption of the ordinance will lift the moratoriums that are currently in place until

November 5, 2007 (residential common-interest conversion projects) and November 18, 2007 (nonresidential common-interest conversion projects).

Attachments: 1. Ordinance
 2. Unofficial Council meeting minutes of 6/5/07
 3. Unofficial Council meeting minutes of 6/19/07

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DEVELOPMENT SERVICES DEPARTMENT

**FOR ATTACHMENTS NOT INCLUDED IN THIS REPORT,
PLEASE CONTACT THE PLANNING DIV. AT (714)754-5245.**